

SETTLEMENT AGREEMENT AND RELEASE

THIS AGREEMENT is entered into as of this 11th day of March, 1993, by and between PHILIP MORRIS INCORPORATED (hereinafter "Philip Morris"), THE BASEBALL CLUB OF SEATTLE, LP., d/b/a the Seattle Mariners Baseball Club (hereinafter the "Club"), and KING COUNTY, WASHINGTON (hereinafter the "County").

WHEREAS, Philip Morris and the County initially entered into an agreement for the advertising of tobacco products in the King County Domed Stadium on March 16, 1976; and

WHEREAS, that agreement between Philip Morris and the County provided for an initial contract term of ten (10) years with an option in favor of Philip Morris to renew the agreement for additional terms of five (5) years each upon the same terms and conditions as the original agreement at the then prevailing advertising rate; and

WHEREAS, the Use Agreement between the Club and the County was amended in 1985 to, among other things, permit the Club to assume all responsibility for the sale of advertising in the Domed Stadium, subject to certain County approval rights; and

WHEREAS, Philip Morris, the Club and the County entered into a novation agreement and consent to novation dated May 10, 1986, substituting the Club for the County in connection with the agreement with Philip Morris dated March 16, 1976; and

WHEREAS, the March 16, 1976 Advertising Agreement, as renewed and amended, and as modified by the November 10, 1986 Novation Agreement and Consent to Novation, shall be referred to herein collectively as the "Advertising Agreement."

WHEREAS, by letter dated August 11, 1992 from the Club to Philip Morris, a copy of which was made available to the County, the Club stated that Philip Morris had renewed the Domed Stadium advertising agreement, as amended, for an additional five (5) year period through March 31, 1997; and

WHEREAS, the County has enacted Ordinance No. 10615, which provides, in part, that no contract, or amendment, or renewal or extension thereof, relating to use of county facilities or to advertising in county facilities shall allow any advertising of any tobacco product in a county facility; and

WHEREAS, a dispute has arisen between the parties hereto on the issue of whether a valid agreement between Philip Morris and the Club for tobacco product advertising at the Domed Stadium through March 31, 1997 arose prior to the effective date of Ordinance No. 10615 and whether the County, under present circumstances, may remove the Philip Morris advertising material; and

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WHEREAS, the parties hereto now wish to resolve that dispute, and any related differences they may have, on a mutually satisfactory basis;

THEREFORE, Philip Morris, the Club and the County agree as follows:

1. Philip Morris relinquishes effective as of December 31, 1993, all rights that it may have to display advertising material in the Domed Stadium or any other benefits to which it is entitled under the Advertising Agreement. The advertising material currently being displayed by Philip Morris in the Domed Stadium pursuant to the Advertising Agreement may be removed by the County effective January 1, 1994.
2. In full and final satisfaction of any payments or obligations otherwise due the Club under the Advertising Agreement, Philip Morris shall pay the Club the sum of One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500.00) for the right to display advertising material pursuant to the Advertising Agreement during the period beginning April 1, 1993 and ending on December 31, 1993. Such payment to the Club shall be made no later than April 1, 1993.
3. Philip Morris shall make reasonable good faith efforts to encourage other Philip Morris operating companies to contract with the Club for advertising in the Domed Stadium, or other forms of advertising or sponsorship, for non-tobacco products, subject to the County's approval rights. Nothing in this paragraph obligates any Philip Morris operating company to agree to any specific advertising or sponsorship arrangement with the Club, and nothing in this paragraph commits the Club or the County to make any specific advertising or sponsorship opportunity available to such Philip Morris operating companies.
4. In consideration of the foregoing, the County agrees to permit Philip Morris through December 31, 1993 to display advertising material in the Domed Stadium pursuant to the Advertising Agreement.
5. In consideration of the foregoing, Philip Morris agrees effective January 1, 1994 to waive, release and hold harmless the Club and the County, and their officers, agents and employees, from any and all claims (including demands, suits and judgments) it may have related to the display of its tobacco product advertising in the Domed Stadium pursuant to the Advertising Agreement, including the removal by the County of such tobacco product advertising after December 31, 1993, or the provisions of King County Ordinance No. 10615 as they relate to the Advertising Agreement after December 31, 1993.
6. In consideration of the foregoing, the Club agrees that it shall not challenge the removal of the Philip Morris advertising material by the County after December 31, 1993, contend that such removal violates any of the Club's rights under either the Use Agreement, as amended, with the County or any advertising

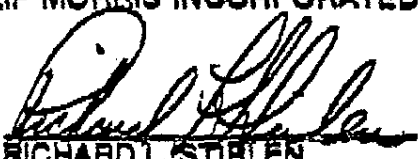
agreement it may have with Philip Morris, or make any claim for damages of any kind against the County based on the removal after December 31, 1993 of the Philip Morris advertising material from the Domed Stadium.

7. The County agrees for purposes of this Agreement only that the Advertising Agreement, as it relates to the period through December 31, 1993, was duly in existence at the time of the enactment of King County Ordinance No. 10615.

8. This Agreement may be executed in any number of counterparts which, when taken together, shall constitute one agreement.


ENTERED INTO AND AGREED as of the date first entered above.

PHILIP MORRIS INCORPORATED

By: 
RICHARD L. STIRLEN
Director, Media and P.O.S. Development

THE BASEBALL CLUB OF SEATTLE, L.P.

By: Baseball of Seattle, Inc.,
Managing General Partner

By: 
Its: VICE PRESIDENT

KING COUNTY, WASHINGTON

By: 
TIM HILL
King County Executive

APPROVED AS TO FORM:

By: 
KEVIN M. RAYMOND
Deputy Prosecuting Attorney